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Report of the Academy Committee on the Seventh Annual Meeting.

SEVENTH ANNUAL MEETING

OF THE

American Academy of Political and
Social Science

Philadelphia, April 17 and 18, 1903.

THE UNITED STATES AND LATIN AMERICA

Soon after the annual meeting of 1902, your committee held a meeting for the purpose of discussing the most available topic for the annual meeting of 1903. After considerable discussion "The United States and Latin America" was decided upon. Although the subject was attracting increasing attention, the committee did not and could not foresee that during the early months of 1903 the attention of the people of the United States and of Europe would be concentrated upon South-American problems. Although there was no lack of newspaper discussion of the South-American situation, the seventh annual meeting of the Academy furnished the first opportunity for a calm and scientific discussion of the many delicate and intricate problems involved in our relations with the governments and peoples to the south of us.

Before proceeding to an account of the sessions, your committee desires to express its thanks as well as those of the officers and members of the Academy to the Provost of the University of Pennsylvania, to the president and directors of the Manufacturers' Club and to the officers and board of directors of the Philadelphia Commercial Museum for their valuable co-operation, which contributed so much towards making the meeting a success. Your committee also desires to express its appreciation of the services of those who

took active part in the meeting and whose contributions give to this volume its chief importance.

The expenses of the annual meeting were defrayed in part by an appropriation from the treasury of the Academy, but in the main by a special fund contributed by friends of the Academy. It was largely because of their assurance of support that the committee was able to plan the meeting on so large a scale and to provide for the publication of the proceedings without involving too heavy a burden on the Academy's treasury. To these contributors we desire to express our sense of obligation.

SESSION OF FRIDAY AFTERNOON, APRIL 17.

Topic: "International Arbitration on the American Continent."

The annual meeting was opened by the president of the Academy, who commented on the increasing importance of the annual meetings and on the timeliness of the general topic of the seventh annual meeting. He then introduced the presiding officer of the afternoon, the Honorable W. W. Rockhill, Washington, D. C., director of the International Bureau of American Republics.

Mr. Rockhill, in introducing the subject of the afternoon, spoke as follows:

The problems confronting the Pan-American Conferences are to be discussed at this meeting; as introductory to the discussion, I feel that I can not do better than briefly state what these conferences have accomplished, what progress has been made by them for the cause of Pan-Americanism.

History of international American conferences for the purpose of drawing closer together the various relations of the different American states, may be divided into two parts: First, that extending from the congress at Panama in 1826 to that of Montevideo in 1888; and second, beginning with the congress of Washington in 1889, and extending down to the present time. During the first period the conferences, while accomplishing no great material results, served to foster the belief in the possibility of strengthening the ties between the American states, and indicated the most favorable lines along which the work should be prosecuted. With the International American Conference at Washington in 1889, the movement assumed practical shape and results were secured.

The programme of this conference is of interest, as it served as

a basis for the elaboration of a programme for the second congress subsequently held in the city of Mexico in 1901.

(Mr. Rockhill then stated briefly the programme of the congress of 1889 at Washington.)

The lasting results of this congress were the Intercontinental Railway Commission, and its subsequent survey and report; the American Monetary Conference of 1891, which led to the meeting of the Brussels Conference; and the creation of the International Union of American Republics and of the Bureau of the American Republics. However important these results, it can not be said that any part of its labors was vain.

The discussion on arbitration and on the question of reciprocity, which took place during the congress, although, in the case of the first subject, it led to no practical result, advanced most materially this complicated and difficult subject.

Mr. Matias Romero, late Ambassador of Mexico to the United States and one of the delegates to this conference, justly remarked of it, that its first and best result was the sentiment of mutual respect and consideration with which each delegate was inspired for his colleagues and for the nations represented by them. Another result, one which has exercised great influence since then, was the constant intercourse of the delegates for nearly six months and their daily discussion of important questions affecting the paramount interests of their respective countries.

The great interest awakened in Pan-Americanism by this first conference was so lasting that when in 1900 the government of the United States suggested that a second international conference should be held, "in view of the numerous questions of general interest and common benefit to all the republics of America, some of which were discussed by the first International Conference, but not finally settled, and others which had since grown into importance," the suggestion was responded to enthusiastically by all the republics of America, and the conference, at which they were all represented, duly met in the city of Mexico in October, 1901.

The results of this last conference mark another great step in advance of those made by the previous one of 1889.

The subject of arbitration naturally received a great share of the attention of the conference, with the result that The Hague Convention received the unanimous acceptance on the part of the nineteen

republics represented, and the three Hague conventions were recognized as principles of public American international law. A treaty was also signed for the compulsory arbitration of pecuniary claims, and other steps were taken for the extension of arbitration on this continent.

The Intercontinental Railway project, was further advanced by the creation of a permanent committee to continue the preliminary work until the calling of the next Pan-American conference.

Closer commercial intercourse between the various states was promoted by the adoption of a resolution for the meeting of an International Customs Congress in New York within a year, to consider customs administrative matters.

The subjects of quarantine and sanitation were advanced by the adoption of a resolution providing for an International Sanitary Conference.

An International Commission was appointed for the study of the crisis in the coffee industry.

Other conventions were signed providing for the reciprocal recognition of the diplomas and titles granted in the several republics; the international recognition of literary and artistic copyrights; the exchange of official, scientific, literary and industrial publications, and a number of other subjects, all of great interest and value to the cause, but of secondary importance compared to those referred to above.

The Customs, Sanitary and Coffee Conferences have been held, and have led to important and lasting results; and the discussion of the various subjects brought before the conference has given a new impetus to the movement, and to those interested in it renewed energy and hope, and insured further prosecution of the work along the lines now recognized by the experience of two congresses as certain to produce the greatest amount of good to the states of this continent.

The chairman of the Local Reception Committee, Dr. Joseph Wharton, then welcomed the members and guests of the Academy on behalf of the committee.

Mr. Wharton spoke as follows:

Members and Guests of the American Academy of Political and Social Science: When, in this busy modern life, a new candidate for

public attention arises, claiming a share of the time which is already so crowded with cares and duties, that candidate must show good reason for existence or it must be cast out. Can this Academy show such reason? Surely it can.

There is one strong presumption in its favor—namely, that it has lived for fourteen years, and has grown, and is now full of the vital spirit which can carry it on into a distant future. As in the life of a child each added year increases its chance of reaching maturity and of doing the normal work of an adult, so is the chance of long life and usefulness more and more assured to this Academy by each year that passes.

Our nation began as a sort of protoplasmic mass, not an organism, but a loosely coherent aggregation of individuals, pressed together by hostile external forces as much as drawn together by internal attraction; a mass capable of attaining corporate life rather than really possessing it; having, however, the germ and tending strongly to become an organism, with faculties, functions and members suitable to its environment. But our nation had the extraordinary good fortune to be guided, in its early endeavors to become an organism, by men of unusual wisdom. Washington, Franklin, Hamilton, Marshall and Story are but shining examples of the men whose constructive and judicial labors gave to the fabric of our institutions its great controlling features, or, to change the metaphor, who breathed into the inchoate mass that which made it a living soul.

Are we who inherit these fruits of our ancestors' labors to rest inert under our new conditions, like the old Jews who believed they must be saved by ancestral virtues? Shall we be content to say "Have we not Abraham to our Father?"

The new conditions do not tolerate such fatuity. The nation, and each of its constituent subordinate communities, must find means to fit itself to these new conditions, or they and it will justly perish. All the multifarious problems growing out of the complications of modern life must be boldly met, mastered and assimilated into our system of government—into our organic life.

Obviously, this requires differentiation of function, development of special faculties by individuals and classes, so that each may do well his part to produce the grand harmony of the state, as the several instruments of an orchestra combine to produce the harmony of music. And more and more essential is it becoming that each person

should be trained in his part. We can enjoy the absurdity of the man who, when asked if he could play the violin, answered that he guessed he could—he had never tried—but is it less absurd for us to expect that legislators, executive officers, diplomats, consuls, etc., coming untrained as many do from shop or farm or old-style college, should perform well their new duties? We expect nothing of the sort in respect to our judges, or our military and naval officers; all of these are in their several ways most carefully trained to their several tasks and consequently perform those tasks for the most part admirably well.

The struggle among the nations for existence and prestige is no longer mainly a struggle of armed forces; it is now rather a competition between the nations in industrial prowess, in subtle management of commerce, transportation and finance. Wealth and power are the prizes; our competitors are the foremost champions of the world.

It is not pretended that this Academy is fitted to educate all the various classes of statesmen and officers alluded to, but its members and increasing numbers of the community believe it to be doing important work by insisting on the necessity of training, by calling attention to this or that topic of public interest, by showing what is done in other countries, by forecasting policy or legislation on this or that topic, by estimating the gains to accrue from this or that course.

No one who looks over the wide field covered by the papers presented at the previous meetings of the Academy can fail to be impressed by the great variety of the subject-matters of those papers, and by the ability with which they have been treated by their distinguished authors. The present meeting is to be addressed upon no less important matters of immediate interest, and by no less distinguished speakers.

The city of Philadelphia has always held an advanced position in respect to the various objects which the Academy endeavors to promote; its citizens join with our own members in welcoming you with all sincerity to participate in the work of the annual meeting which is now open.

Hon. John Bassett Moore, of New York, secretary and counsel of the Paris Peace Commission; Professor of International Law, Columbia University, and former Acting Secretary of State, then

presented a paper on the topic of the afternoon, which will be found printed on pages 33-44 of this volume.

Following the paper by Mr. Moore, Hon. William I. Buchanan, of Buffalo, N. Y., formerly United States Minister to the Argentine Republic and American delegate to the Pan-American Conference of 1901, read a paper on the same topic and the same will be found on pages 45-55 of this volume.

Dr. Talcott Williams, of Philadelphia, then read a paper on "Ethnic Factors in South America," which is printed on pages 23-31 of this volume.

SESSION OF FRIDAY EVENING, APRIL 17.

The Annual Address: "The Position of the United States on the American Continent—Some Phases of the Monroe Doctrine."

The first evening session of the annual meeting is always the most important of the series, as it is the occasion for the delivery of the annual address to the members of the Academy. Stuart Wood, Esq., of Philadelphia, the treasurer of the Academy, was the presiding officer of the evening.

Dr. Charles C. Harrison, Provost of the University of Pennsylvania, presented the welcome to the guests of the Academy on behalf of the University of Pennsylvania. Dr. Harrison expressed the keen interest of the University in the scientific discussion of the matters under consideration and commented on the fact that the University, in its Wharton School of Finance and Economy, was giving special attention to this class of subjects.

The president of the Academy, Professor L. S. Rowe, of the University of Pennsylvania, then presented a review of the work of the Academy for the year.

Dr. Rowe spoke as follows:

The growth of the Academy since our last annual meeting may be regarded as one of many indications that the American people fully realize that the solution of our complex national problems requires something more than the training of the common school. The theory that the uninstructed common sense of the average citizen will find the best solution for every public question will no longer stand the test of experience. The desire of an ever-increasing proportion of our citizen body to acquaint themselves with the principles

underlying our public policy is a tribute to the serious purpose and determination of the electorate to meet the requirements of the new situation. It must be a real satisfaction to every member of the Academy to know that their organization has contributed in no small degree towards this enlightenment of public opinion. The publications of the year have reached not only our own members, but are also being used as required reading in a considerable number of colleges and universities. Special study classes and debating societies have used the material contained in our volumes as the basis upon which to pursue systematic investigations. We have also to record the fact that the United States Senate recently reprinted an Academy publication as a public document.

These facts when taken in connection with the presence of so many of our members from different parts of the country serve to emphasize the national, yes the international, scope of our work. To the large body of members grouped in and about Philadelphia, the meetings of the Academy undoubtedly appear to be the most important of the Academy's activities. Without in the least detracting from the importance of the monthly meetings and the influence which they exert beyond the limits of this city, the special function of the Academy in disseminating the results of scientific research in the political and social field is best attained through its publications. This work has been greatly aided by the inauguration of a series of special volumes such as have appeared during the last twelve months. Since our last annual meeting the Academy has published four special numbers of *THE ANNALS*, devoted to the following subjects: "Social Legislation and Social Activity," "Current Problems in Banking and Finance," "Current Labor Problems" and "Current Political Problems." A volume on "Charities and Corrections" has also appeared. In addition, one number of *THE ANNALS* was devoted to a more miscellaneous collection of subjects. That the importance of this group of publications has been appreciated is attested by the fact that the applications for membership outside of Philadelphia have been more numerous this year than at any previous time in the history of the Academy.

The fact that the Academy commands the services of a body of trained experts in every branch of the political and social sciences enables us to extend the usefulness of the Academy even beyond its present scope. With each year the number of cases in which the

Academy furnishes material and expert opinion for special investigations is increasing. In this respect a new field of usefulness is opened which possesses almost unlimited possibilities. The Academy must be made the centre to which everyone who is engaged in the serious study of great public questions may look for guidance and support. To make this possible the active interest and co-operation of every member is necessary. Our organization must not depend on the activities of any one group of men. Its policy as well as the results accomplished must be the outcome of the united efforts of that large body of workers scattered over this broad land, representing every shade of opinion and whose common purpose is the search after truth.

The presiding officer then introduced the Honorable Francis B. Loomis, of Washington, D. C., First Assistant Secretary of State, who delivered the annual address on "The Position of the United States on the American Continent," which address is printed on pages 1-19 of this volume.

On Saturday morning, April 18, a visit to the exposition building of the Commercial Museum had been planned. The authorities of the Museum arranged a special exhibit of South-American products and the members of the Academy and guests were conveyed to the building in a special car and conducted through the exhibit by officers of the Museum. This visit proved a most valuable adjunct to the proceedings of the annual meeting and special thanks are due to Dr. William P. Wilson, the director of the Museum and Mr. Wilfred H. Schoff, its secretary, to Mr. Macfarlane and the curators of the special exhibits.

SESSION OF SATURDAY AFTERNOON, APRIL 18.

Topic: "Conflicts Between Europe and Latin America; With Special Reference to the Public Policy of the United States."

The presiding officer of the afternoon was Mr. Charles R. Flint, of New York. The president of the Academy in introducing Mr. Flint referred to him as one of the pioneers in developing closer relations between the United States and the countries of South America. Mr. Flint's services as one of the originators of the Pan-American Conferences and the leading part which he took at the first conference were commented upon at some length.

Mr. Flint, in taking the chair, spoke as follows :

Members of the Academy, Ladies and Gentlemen:—The maintenance and strengthening of intimate relations, commercial and political, between the American republics have never been as important as at present.

For many years after the formation of our government it was natural that our people should have devoted themselves almost exclusively to the development of our great and varied resources. We then had no surplus time, energy or money to put forth beyond our boundaries. We were seeking labor and capital in Europe in competition with our southern neighbors. During the first century of our existence we were not only a debtor nation, but we were largely dependent upon European bankers. Up to six years ago the total value of our exports and imports about balanced. During the past six years the balance of trade in our favor has amounted to over three billions of dollars. Our wealth has increased during the past fifty years from ten to one hundred billions. Our government bonds are selling higher than the bonds of any other government. We have of late been loaning money in Europe on call, within the last few years we have bought the bonds of Russia, Mexico, Japan and England, and an important loan to a Latin-American state is under negotiation ; so that to-day, instead of competing with our southern neighbors in securing money in Europe, we are in a position to grant them financial facilities, and our ability to do so is rapidly increasing.

The great advantage that the Latin Americans have in dealing with us is that we have evolved the best methods of developing new countries. In the densely populated countries of the Old World there is not the same incentive to invent labor-saving methods and machinery. In new countries they must largely take the place of population, and I believe that to-day the labor-saving machinery and implements which we have sent to Latin America are producing more than three times what could be produced by the entire population without them.

It is evident that the trend of the times is toward greater community of interest between the peoples of the Americas. It is only a question of years when an intercontinental railway, with a bridge across our isthmian canal, will bring us closer together in fact as we are in common interest.

It is also the order of the day to review our political relations. The policy of our government during nearly the first century of its existence was to confine its attention to domestic affairs and virtually to have no "foreign policy." The energy of the people was required for the upbuilding of the nation within its own walls. We have become the wealthiest nation in the world, we are a world power, with all the responsibilities which that position involves. Toward the republics of the south we stand in the relation of an elder brother. What a liberal proposition from a great power was the arbitration treaty formulated by Mr. Blaine and presented by him to the representatives of the Latin-American states to the International American Conference of 1889. It provided that all inter-American disputes should be settled by arbitration and virtually fixed existing territorial limits.

When the representatives of the southern republics went to the White House to bid farewell to President Harrison, he stated to them that the purpose of the military review which had been given in their honor on the previous day had been to give an idea of the army of the United States, not with the intention of impressing them with great military power, but to have them appreciate the fact that we were saving our men and money for industrial progress, that in case of need the country could rely, in the future as it had in the past, upon the courage and patriotism of its people. The wars of to-day are industrial wars. The commercial invasion of the Old World will mean the enforced abandonment of militancy in favor of industrialism; to the south of us it will mean a higher standard of living and a larger measure of well-being.

It is true we are building battleships, but as it takes years to build an armored vessel, the saying "In time of peace prepare for war" applies with peculiar force to the navy. The United States should become a great sea-power, not for the purpose of conquest, but to insure the peace of the continent.

The needle of the compass points to the north. The United States has blazed the way in working out the great problem of representative democratic government. The republics to the south of us have modeled their constitutions after ours. They have copied our school system and have sent here representative men to study our industrial methods and achievements. We are not only natural allies, but we are coincidentally gaining in power, commercially, financially,

politically, in a way that will make us both powerful and lasting friends. It is an incalculable blessing, that our policies, thoughts and aspirations are reciprocal. There are signs in the heavens; the Southern Cross, emblem of peace and good-will; the North Star, a sure guide.

Mr. Flint then introduced Mr. George W. Scott, of the University of Pennsylvania, who presented a paper on "Causes of Conflict Between the Countries of Europe and Latin America," which is to be found on pages 69-82 of this volume.

Mr. Scott's paper was followed by an address by Clifford Stevens Walton, Esq., of Washington, D. C., Licentiate in Civil Law, formerly counsel on the Chilean and Salvadorean Claims Commissions, on "Rules of Private and International Law in the Enforcement of Claims," which is printed on pages 83-96 of this volume.

A paper by Hon. Frederic Emory, of Washington, D. C., chief of the Bureau of Foreign Commerce of the Department of State, on "The Causes of Our Failure to Develop South American Trade," was then read by Mr. J. Russell Smith, of the University of Pennsylvania, as Mr. Emory's illness prevented his attendance at the meeting. This paper appears on pages 151-156 of this volume.

Mr. Wilfred H. Schoff, of Philadelphia, secretary of the Commercial Museum, then read a paper on "The Development of European Trade Relations with South America," which is printed on pages 157-168 of this volume.

Mr. Ernesto Nelson, of the Argentine Republic, then presented a paper on "Argentine Commerce with the United States and Europe," which is printed on pages 169-176 of this volume.

SESSION OF SATURDAY EVENING, APRIL 18.

Topic: "The Community of Interests of the United States and Latin America."

The presiding officer of the evening was the Honorable Shelby M. Cullom, United States Senator from Illinois and chairman of the Senate Committee on Foreign Relations.

The president of the Academy in introducing Senator Cullom said:

The twentieth century has been ushered in by an awakening of the American people to a sense of their responsibility as the leading

nation not only of the American continent, but of western civilization. The responsibilities involved in the position which we have assumed amongst the nations of the earth are such as would make a less buoyant nation shrink with terror. The faith in our own power to meet every new requirement, while a source of real strength, also involves definite dangers. Unless the leaders of our national life and especially those who are directing our foreign policy are men who can guide us through the mutual paths of international politics and who, in addition, possess a thorough grasp of the principles governing the development of our national life, we are sure to meet with disaster. But even these qualifications are insufficient unless they are combined with an understanding of the point of view of our people and a sympathy with their aspirations and ideals.

The extent to which the statesmen who have occupied the chairmanship of the Senate Committee on Foreign Relations have impressed their personality on the life of our people and upon the history of our country is to be measured by the degree in which they have met these requirements. Henry Clay, James Buchanan, Thomas Benton, Charles Sumner, John Sherman, C. K. Davis and S. M. Cullom stand out as exponents of all that is best in our national life. Of the long line of honored names there is certainly no one occupying a higher position than the gentleman who is to preside at this session. Both for the number of questions which he has been called upon to solve and the magnitude of their importance, the period of his chairmanship occupies a unique position in the history of the country. It has been his good fortune to preside over the most important committee of the Senate at a turning point in our history and it has been our good fortune as citizens of this great republic to enjoy the services and benefit by the leadership of the Honorable Shelby M. Cullom, whom I now have the honor of presenting to you.

Senator Cullom, in taking the chair, spoke as follows :

For the honor conferred upon me, by calling me to the chair on this interesting occasion, I thank you.

We meet here to discuss briefly the interests of North, Central and South America.

We are honored by the presence of able and distinguished representatives from the republics of Peru, of Cuba, of Costa Rica, and

from the International Bureau of American Republics, each one of whom will address you.

I do not need to say that addresses by such representatives from our sister republics cannot fail to be interesting, instructive and valuable to our country.

Fellow-citizens, in one capacity or another, we all belong to republican governments.

In the progress of time and events the nations of the earth have come into more intimate relations with each other. By the use of modern inventions, we have, in a large degree, conquered time and distance; and the result is, the nations are getting to know each other better, and differences are more easily and promptly adjusted.

It should be the purpose of statesmen of all the republics, North, Central and South, to favor such measures as will best secure the interests of all.

As a citizen and a Senator, I shall aid as best I can in securing a closer community of interests between the United States and all the other republics on this continent. Consistent with doing my whole duty by my own puissant nation and people, I shall favor a policy which I believe to be to the advantage of the other republics of the western world, so that all may secure permanent prosperity. As nations, we can often help ourselves by helping one another.

Our great secretary of state, in a brief address which he delivered a year or two ago at the Pan-American Exposition at Buffalo, said that, "the ideal of the brotherhood of the nations of the western world was not a growth of yesterday; it was heralded, when the country was young, by the clarion voice of Henry Clay, and was cherished by Seward and Evarts, by Douglas and Blaine." And I am pleased to add, by the voice of the late lamented President McKinley, in his farewell address. In that noble address, he said, "but though commercial competitors we are, commercial enemies we must not be."

Those words should ever be present in the minds of all our people. Our several republics should be one in sympathy, one in disposition to help each other, one in determination to make the three Americas great in the possession of the highest civilization, so that each may wield a grand influence for the good of mankind.

The movement for closer relations between the several republics will increase from year to year. It has often been said that trade

follows the flag. *TRADE AND THE FLAG SHOULD GO TOGETHER*, and in the interest of the United States and our sister republics, I am anxious to see American ships with the American flag floating over them, anchored in the ports of the south, laden with American products and manufactures, for the markets of those countries, and again laden with the products of those countries for the markets of the United States.

I hope to see the day very soon when the three Americas shall be bound together by lines of ships,—subsidized, if necessary,—and by railroads and telegraph lines, so that the people of all these nations, North, South and Central, can conveniently come and go and mingle and trade together, to the advantage of all.

It has been said that the decline of American shipping is not a lost art, but lost statesmanship. If it is the latter, let the people encourage the growth of statesmanship a little.

The first duty of government is to secure its independence and the freedom and protection of its citizens.

The government of the United States, years ago, gave expression to the doctrine that no foreign power should subjugate or interfere with the establishment of independent republics on the American continent. The Monroe doctrine is stronger in the minds and hearts of the American people now than ever before in our history.

Our gallant and wise President who is visiting the people of the far West and who is frank and open-hearted in talking to the people over whose destiny he presides, discusses all these great questions with clearness and frankness seldom heard in our previous history.

Fellow-citizens, the total territory of our republics, North, Central and South, including of course the United States and Cuba, amounts to between twelve and thirteen million square miles and contains a population of over one hundred and forty millions. The territory of these republics is capable of sustaining a population five times as great.

After more than fifty years of diplomatic correspondence and treaty-making with other powers, having in view an isthmian canal connecting the two great oceans, in Central America, the United States has at last taken a decisive step, by legislation and by treaty, which, if the republic of Colombia shall join the United States in ratifying, will result in the early construction of a canal, owned and

controlled by the United States, a work unequalled in magnitude and value.

When the treaty shall be ratified by Colombia, as I trust and believe it will, it will mark the beginning of a new era in the growth and prosperity of all those republics in Central and South America, and when the canal shall be completed it will not only be of vast advantage to all the nations of the western hemisphere, but also to the peoples of all the nations as a great neutral highway for commerce between the eastern and western hemispheres.

My fellow-citizens, I look forward with confidence to the time when it shall be apparent to all the nations on this continent that the work of the recent Congress, and of the Senate of the recent Congress, has been of vast benefit to the United States and to all our neighbor republics.

International conferences between the republics of the Americas are to be encouraged. These conferences, commenced under the administration of President Harrison, at the suggestion of his pre-eminent secretary of state, James G. Blaine, have done much to bring about a closer community of interests between the republics of this continent.

At the recent conference held in the city of Mexico, where each country was represented by able statesmen, a number of important treaties were signed, having for their object the promotion of friendly relations between our several republics. Conventions for the formation of codes on public and private international law, for the extradition of criminals, for the exchange of publications, regulating the practice of learned professions, regulating literary and artistic copyrights, and for the arbitration of pecuniary claims were agreed to.

It is to be regretted that urgent public business of the greatest consequence to the United States so engaged the attention of the last Congress as to prevent the consideration of those treaties. I hope that during the next session of the Senate they will be taken up and given that careful attention which their importance demands. Those treaties are right in principle. It remains only to be determined whether they are correct in detail.

I consider that the most momentous work of the Second International Conference of American States was the signing of the treaty of arbitration for pecuniary claims. While it would be

improper for me to discuss that arbitration treaty in public at this time, I do believe that its ratification will mark a new epoch in the intercourse between the signatory powers.

The time has come when international disputes should be settled by arbitration and not by war.

The conference in the interest of international arbitration called in 1898 at the suggestion of the greatest absolute monarch in the world, the Emperor of Russia, resulting in the establishment of a permanent court of arbitration at The Hague, has well shown that the enlightened nations of the world regard arbitration as the mode of settling international disputes. The convention at The Hague was one of the marked forward movements of the world in modern times.

The United States and the republic of Mexico were the first nations to take advantage of that international court of arbitration. The decision of that court, finally settling the so-called Pious Fund Dispute, cannot but be recognized as just and equitable to the interested powers.

The recent difficulties between Venezuela on the one part and certain European nations on the other, it is to be hoped, will be amicably settled by that peace tribunal.

Whatever may be said on the subject of arbitration for the determination of disputes between the nations of the world, it is especially desirable that arbitration, and not war, should be the means of disposing of controversies between the American republics.

The greater part of the history of every nation of the world is composed of recitals of victories and defeats on the field of battle, but, as the nations advance in arts, science and civilization, war will be the exception and arbitration the rule, for the disposition of international difficulties.

Senator Cullom then introduced Señor Don Manuel Alvarez Calderon, Envoy Extraordinary and Minister Plenipotentiary of Peru, who read a paper on "The Position of Peru in South-American Affairs." This paper is printed on pages 57-65 of this volume.

Senator Cullom then presented Señor Don N. Veloz-Goiticoa, secretary of the International Bureau of the American Republics, who delivered an address on "The Position of Venezuela in American Affairs." He spoke as follows :

Mr. President, Ladies and Gentlemen:—The position of Venezuela in American affairs is a topic which admits of ample development, but as there is not sufficient time available this evening, I shall limit my endeavors to establish such a position from but a few points of view. In so doing, on considering things past,—during the different periods of political and social evolution, from the ethnogenic to the demogenic stages, from ancient times to the discovery of America and thence to the present day,—we must admit that humanity has undergone a radical change and civilization attained a high degree of widespread development.

The struggle for and acknowledgment of the independence of the United States of America and the severe contest for and final emancipation of the Spanish-American colonies, brought about by well-known conditions and made renowned by the heroic deeds of such great American commanders as Washington, Bolivar, Hidalgo, Morazán and San Martín, form epochs in the annals of history.

Bolivar, born in Caracas, liberated Venezuela, Colombia, Ecuador and Peru, and founded Bolivia, which is named in his honor.

Venezuela began her independent life as a nation ninety-two years ago, by making a glorious and indelible impress upon the pages of American history, for she is the birthplace both of Bolivar and of South-American independence, and Bolivar is the Washington of South America.

Viewing the position of Venezuela from another standpoint, we are confronted with the fact that the western hemisphere covers an area of 15,800,000 square miles and has a population of 148,745,000 inhabitants,—using round numbers for the sake of convenience, as the exact figures can easily be verified from official publications,—and that the nineteen Latin-American republics, taken as a social nucleus, possess 53 per cent of the total area of our hemisphere; British North America and colonies, 24 per cent; the United States of America, 22 per cent, and other European colonies but 1 per cent.

As a congregate grouping the United States represents 54 per cent of the whole population of the New World; Latin America, 41 per cent, and British, Dutch, French and Danish possessions, 5 per cent. In this demotic aggroupment, 59 per cent speak the Anglo-Saxon languages and 41 per cent those of Latin origin; therefore, the Latin genetic contingent in America holds more than half of the

total area of the western hemisphere and both as to population and language represents over two-fifths of the whole unit.

These general facts being established, let us further take into consideration that Venezuela belongs to the Latin-American genetic group and that she occupies in it the fifth place with respect to area, which, as an illustration, means four times the territory of Central America, or, in the United States, more than the combined areas of the eight great states of Texas, Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Oklahoma and Arkansas, although her density of population is scarcely five to the square mile.

From the fundamental sociological standpoint of utilization and especially from that of objective values and their relation to production, Venezuela occupies a distinguished position, for she possesses three distinct and most powerful elements; namely: the agricultural, the pastoral and the forest zones. The first comprises high mountains and deep valleys from the Caribbean Sea—into which empty two hundred and thirty of her rivers, and on which Venezuela has a coast line of more than two thousand miles with thirty-two natural harbors and fifty bays—to the interior which yields all the products of the intertropical and temperate zones, coffee and cocoa being the principal export products.

The pastoral zone consists of immense plains interspersed with table lands and watered by more than one thousand rivers many of which are navigable; luxuriant and plentiful pasture being available for twenty times the several million head of live stock now extant, and due to which European capitalists have, of late, been paying close attention to the possibilities of the cattle industry in Venezuela in view of establishing large plants on similar lines to the kindred industries in the United States.

The forest zone is vast in extent and consists comparatively of some not thoroughly explored and much unexploited land, abounding in inexhaustible quantity of natural products such as rubber, tonka-beans, untold varieties of precious woods and timber, etc. In the upper Orinoco region, for instance, there are boundless forests, and in one of them which measures upwards of seventy-four million acres there exists caoutchouc in such an abundance that it would require millions of hands to exploit it. Fifty thousand immigrants, to begin with, would find there profitable employment. Venezuela offers here a rich field to enterprise, for, with the rudimentary method

now employed nearly half a million pounds of crude rubber were exported last year from the Orinoco region, and as many million rubber trees are available, there may be a possible yearly output of thirty million pounds of crude rubber from this region in the near future, according to scientific research.

In mineral resources there is scarcely a product known that cannot be found in some part of the vast expanse of territory of Venezuela. This does not imply that all can be and are now found in paying quantities, but gold, silver, copper, lead, iron, etc., are and could be mined with more profit under improved conditions of traffic and transportation and would add considerably to the wealth of the world in general and of Venezuela in particular.

A number of American citizens are making a careful scientific investigation of the vast natural resources of Venezuela. Already there are some important American enterprises, such as the asphalt properties and iron mines in which a certain amount of American capital is invested, but there is not any United States dry-goods establishment either wholesale or retail in Venezuela.

A reliable authority recommends to American manufacturers and exporters, as of the highest importance in seeking good markets for their products in Latin-American countries, to take a broad view of international commerce and not to lose sight of the fact that the more Americans who establish there the greater will be the demand for home products and that the United States will receive in return the most highly priced natural products. These recommendations rest on the well-known political economical principle, that international commerce is founded on barter and on the international division of labor.

During the decade of 1889 to 1898 the value of the principal imports of the United States from American countries, adopting round figures for brevity's sake, amounted to over one thousand seven hundred and fifty million dollars and the exports thereto to six hundred and fifty million, which demonstrate the dependency of the United States on tropical and sub-tropical products; although the latest statistics show some improvement in this respect. From this standpoint Venezuela commands the third place as an exporting American country to the United States with eighty-two million dollars' worth of commodities, of which seventy-one millions were represented by coffee, and as an importer of goods from the United

States the fourth place with thirty-two and a half million dollars, of which twenty-two million consisted of breadstuffs, cotton manufactures and provisions, the present yearly status in this regard being \$3,270,000 worth of imports from the United States and \$6,640,000 sent in return, which means that Venezuela exports to the United States double the value of the goods received from it.

From the financial point of view Venezuela compares favorably in American affairs. The annual revenue is about eight million dollars (1901), derived principally from customs duties. Her monetary system is now and has always been based absolutely upon the gold standard, the monetary unit being the *bolivar* which is exactly one franc in value. The banking laws prescribe that three-fourths of the capital be paid up and that banknotes may be issued *only* for twice the amount of capital fully paid, consequently there does not exist any fiduciary or other currency that is depreciated, the circulating mediums being gold to the amount of eight dollars per unit of population, national silver *at par value* to that of one and one-fourth dollars, no foreign silver currency being legal tender, and banknotes to that of sixty-five cents, the total per capita being nearly ten dollars. The fluctuations of the rate of exchange are a couple of points below or above par, which is exceptional if compared with the rate of exchange of any Latin-American country.

According to the report of the Council of Foreign Bond Holders of London (1902) the total liabilities of Venezuela are forty-seven million dollars, and it is gathered therefrom that the outstanding capital and arrears of loan service of the external and internal debts which Venezuela owes to foreign holders amount to 62 per cent of the total liabilities or to about twenty-nine million dollars.

A good authority affirms that the marvelous growth in the foreign commerce of the United States began some thirty years ago with the increase of means of transportation in all directions, thus developing the great agricultural and industrial centres, creating power to produce and gather the natural products for manufacture and transportation to the sea coast, infusing new life and wonderful activity to the United States, and making it the great producing, manufacturing and exporting nation of the world.

The superior facilities of communication of the United States, its financial strength, the shrewd strenuousness of the present ethnical type, resulting from the heterogeneous social elements, called

the American citizen, with his marvelous energy, form the solid foundation on which rests the foreign trade of the United States, and are important factors which assure the position it has attained and guarantee a future of ever-increasing expansion of its foreign commerce.

The United States has fully entered upon the third stage of progress, as classified by philosophical historians and the investigation to be begun within a couple of months by the American Institute of Social Science regarding the industrial and social conditions abroad for application in the United States will still advance it on the broad path of civilization.

Although Venezuela is the Latin-American country which lies nearest to the United States and European markets, she has not yet been able to reach such an advanced stage of industrial evolution as might be desired, due, above all, to lack of immigration, the influence of which is so obvious and wide-reaching; therefore, I am ready to vouch for the immediate need of a large, steady and methodical influx of all nationalities, but it is essential that they be well-meaning individuals, industrious and willing to establish what, according to historical studies of social science, is termed *secondary congregation*, adding thus to the development and well-being of the country, for which Venezuela is magnificently endowed by nature.

However, mere schemers, promoters and speculators, with no thoroughly respectable financial support, embarking in adventurous enterprise and reckless speculation, with enormous profits in view, although fully aware of the risks which they may incur, are *highly latent forces of dissociation which at any moment may become deplorably active*, as giving rise to claims for indemnity and methods of collecting them which probably would not be resorted to against opponents of the same military strength or standing, and which can lead to a very dangerous state of involution in American affairs, and it is a well-known fact that what all the nations of the western world want, is PEACE, to attain, as speedily as possible, the highest degree of progress and prosperity.

Before concluding I desire, Mr. President, to thank, through you, the American Academy of Political and Social Science of Philadelphia, for having afforded me this opportunity of discussing a few phases regarding my native country, and I feel especially gratified because this has taken place at a meeting presided over by the

distinguished and world-renowned chairman of the Committee of Foreign Relations of the United States Senate.

General James H. Wilson, formerly military governor of Matanzas in Cuba, was present at this session as a guest and consented to make a short address on the importance of reciprocity between Cuba and the United States as well as between the United States and all the other countries of South America.

Respectfully submitted,

L. S. ROWE, *Chairman.*

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FREDERICK A. CLEVELAND,
JOHN H. CONVERSE,
W. W. FRAZIER,
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